



U.S. Environmental Protection Agency  
Applicability Determination Index

Control Number: M030024

Category: MACT  
EPA Office: Region 10  
Date: 02/04/2000  
Title: Ability to Qualify as Unaffected Facility  
Recipient: Kent Freeman  
Author: Douglas Hardesty

Subparts: Part 63, R, Gasoline Distribution Facilities

References: 63.2  
63.420(a)

Abstract:

Q: Do the exceptions in 40 CFR 63.420(a)(1) or (a)(2) apply to the Pocatello terminal, such that the terminal is not subject to the Gasoline Distribution MACT?

A: No. EPA has determined that (a) the Pocatello terminal does not satisfy the emissions screening factor prescribed in 40 CFR 63.420(a)(1) and, (b) the terminal has not proven that it is not a major source, as defined in 40 CFR 63.2. Furthermore, the terminal qualifies for neither the PTE Transition Policy nor the Gasoline Distribution MACT Limited Relief Policy. Therefore, the requirements of the Gasoline Distribution MACT apply to the terminal in Pocatello, Idaho.

Letter:

Reply To  
Attn Of: OAQ-107

Mr. Kent Freeman  
Chevron Pipeline Company and  
Northwest Terminalling Company  
5250 South 300 West, Suite 300  
Salt Lake City, Utah 84107

Re: Gasoline Distribution MACT Applicability Determination

Dear Mr. Freeman:

This letter responds to your April 7, 1999, request to the United States Environmental Protection Agency, Region 10 (Region 10) for an applicability determination for your bulk gasoline terminal in Pocatello, Idaho. You indicate that the terminal is not a major source of hazardous air pollutant (HAP) emissions and, thus, is not subject to the requirements of 40 C.F.R. Part 63, Subpart R - National Emission Standards for Gasoline Distribution Facilities (Bulk Gasoline Terminals and Pipeline Breakout Stations) (Gasoline Distribution MACT) pursuant to 40 C.F.R. Sec. 63.420(a)(2). You also indicate that the terminal satisfies the emissions screening factor for the Gasoline Distribution MACT and, thus, is an unaffected source pursuant to 40 C.F.R. Sec. 63.420(a)(1). For the reasons discussed below, Region 10 has determined that neither of the exceptions in 40 C.F.R. Sec. Sec. 63.420(a)(1) or (a)(2) apply to the Pocatello terminal. Therefore, the requirements of the Gasoline Distribution MACT apply.

Pursuant to 40 C.F.R. Sec. 63.420(a)(1), a terminal that successfully demonstrates that its emissions screening factor (ET) value is less than 1.0 is not subject to the Gasoline Distribution MACT. You have calculated an ET of 0.176. Your calculations are contingent upon three critical emission limitation conditions: (1) all gasoline is loaded into vapor-tight gasoline tank trucks, (2) the thermal oxidizer achieves an emission rate of 10 milligrams (mg) total organic compounds (TOC) per liter (L) of gasoline loaded, and (3) gasoline loading does not exceed 3,914,630 liters per day. No information is provided to support the first condition; the second condition is based upon a manufacturer's guarantee for the thermal oxidizer's performance; and the third condition is based upon 1998 operating data.

The first two conditions noted above (the requirement to load only into vapor-tight gasoline tank trucks and the thermal oxidizer emission limit of 10 mg TOC/L of gasoline loaded) are not currently enforceable conditions. Enforceable emission limits are established through rules and permits as discussed in a January 25, 1995, EPA memorandum entitled, "Options for Limiting the Potential to Emit of a Stationary Source Under Section 112 and Title V of the Clean Air Act" (enclosed). Region 10 is unaware of any requirement or emission limitation within the Idaho Administrative Code (IAC) affecting operations at the terminal. Furthermore, you have explained that the terminal is currently operating without a permit from the Idaho Division of Environmental Quality (IDEQ). Given that your operating restrictions and emission limitations lack enforceability, Region 10 has determined that your screening equation demonstration is ineffective in determining applicability to the Gasoline Distribution MACT.

Pursuant to 40 C.F.R. Sec. 63.420(a)(2) and Sec. 63.2, a terminal that successfully demonstrates that its total potential to emit (PTE) HAP emissions are less than 25 TPY, and its single HAP emissions are less than 10 TPY, is not a "major source. Your 1998 PTE HAP emissions inventory indicates total HAP emissions of 3.97 TPY and single HAP (xylenes) emissions of 1.29 TPY. However, your inventory is based upon the use of the same PTE emission limitations as utilized in your screening equation demonstration. As discussed above, the PTE emission limitations are not practically enforceable. Therefore, Region 10 has determined that your 1998 PTE HAP emissions inventory does not demonstrate that the terminal is a non-major source.

Sources lacking federally enforceable limitations may be treated as non-major sources in Title V and under Sec. 112 of the Clean Air Act according to the enclosed January 25, 1995, PTE Transition Policy, if the following conditions exist:

(a) sources with actual emissions less than 50 percent of the applicable major source threshold maintain adequate records to demonstrate that its actual emissions are less than 50 percent of the applicable major source threshold, and have continued to operate at less than 50 percent of the threshold since January 1994 [referred to as the "50 percent provision"], and

(b) sources with actual emissions between 50 - 100 percent of the threshold, but which hold state-enforceable limits that are enforceable as a practical matter [referred to as the "state-enforceable provision"].

The Region has considered whether either of these provisions would apply to your terminal and concluded that they do not. In a December 13, 1996, letter your company indicated that actual emissions from the truck loading rack were uncontrolled at that time. You later installed a vapor collection system and began operating a thermal oxidizer on December 12, 1997. After installation of the vapor collection system and thermal oxidizer you estimated annual HAP emissions of 3.97 TPY given a 10 mg TOC/L of gasoline loaded emission rate.

To estimate actual HAP emissions prior to installation of controls, the Region has assumed that operating conditions at the terminal have remained relatively unchanged since 1996 (with, of course, the exception of the installation of the vapor collection system and thermal oxidizer). The Region also assumed that the 10 mg TOC/L of gasoline loaded emission rate corresponds to a 97 percent control efficiency. Given the above assumptions, the Region estimates actual HAP emissions of 132 TPY (3.97 TPY / 0.03) prior to the installation of controls. Based upon these preliminary calculations, it does not appear that the terminal qualifies for "non-major" consideration under the 50 percent provision of the PTE Transition Policy.

As noted previously, Region 10 is unaware of any requirement or emission limitation within the IAC or within a permit issued by the IDEQ affecting operations at the terminal. Therefore, the terminal does not qualify for "non-major" consideration under the state-enforceable provision of the PTE Transition Policy, either.

EPA did provide limited relief to terminals seeking to avoid Gasoline Distribution MACT applicability as outlined in a December 12, 1997, letter to various organizations affiliated with the gasoline distribution industry (enclosed). According to the letter:

(E)PA will not consider an otherwise covered facility to be subject to the Gasoline Distribution MACT standard (1) if the facility owner or operator filed a complete application with its appropriate permitting authority for a permit limiting its potential to emit so as to qualify as an area source not covered by that standard prior to June 15, 1997, and (2) if it identifies that facility to EPA not later than January 15, 1998. This limited exclusion is limited to a 90-day period and will expire on March 15, 1998.

If a facility has not yet received its permit by March 15, 1998, it will be subject to the Gasoline Distribution MACT standard as of this date unless such facility notifies EPA, prior to March 15, 1998, that an additional period of time is needed for good cause shown.... If a facility has not yet received a permit by that later date [June 15, 1998], it will be subject to the Gas Distribution MACT standard as of its compliance date [December 15, 1997].

It is the Region's conclusion that the Pocatello terminal achieved none of the prerequisite conditions outlined in EPA's December 12, 1997, Gasoline Distribution MACT Limited Relief Policy.

In summary, Region 10 has determined that (a) the Pocatello terminal does not satisfy the emissions screening factor prescribed in 40 C.F.R. Sec. 63.420(a)(1) and, (b) the terminal has not proven that it is not a major source, or is not located within a contiguous area and under common control of a facility that is a major source, as defined in 40 C.F.R. Sec. 63.2. Furthermore, the terminal qualifies for neither the PTE Transition Policy nor the Gasoline Distribution MACT Limited Relief Policy. Therefore, the requirements of the Gasoline Distribution MACT apply to the terminal in Pocatello, Idaho, as of December 15, 1997.

If you have any questions regarding our response, please contact Dan Meyer of my staff at (206) 553-4150.

Sincerely,

Douglas E. Hardesty, Manager  
Federal & Delegated Air Programs Unit

Enclosures

cc: Jim Greaves, EPA Region 10 - Idaho  
James Robbins, Chevron  
Bill Rogers, IDEQ  
Tim Teater, IDEQ